APPENDIX "A"

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{Font: Times New Roman, Title Font Size: 20, center}

COLLEGE FUNDING ANALYSIS

FOR

[ChildName]

{Prepared for Font Size: 16, center}

Prepared for:

[TempPreparedForName]

{This is the data entered in Report Screen (refer 529UIReq3.xls)}

{TempFcName=Select CrelFcFullNm from TB_RAD_FC_REGISTRATION where FpsBoId=cookie.BoID and CrelfcNo=cookie.FcNo}

(If CrelFcFullNm <> null then Print) {*Font Size: 10*}
Prepared by: [TempFcName]
Financial Consultant
Merrill Lynch Private Client Group
{EndIf}

Overview

{All Titles: Font size: 14, Bold, left justified, a line separating the title from the paragraphs}

{All Paragraphs Font size:12, paragraphs justified, margin 1" top, 1" bottom, 1.25" left & right}
Funding a college or graduate school education is a significant savings goal that requires careful planning. With the recent introduction of tax-advantaged accounts such as the Education IRA and 529 College Investing Plan (529 Plan), effective education planning should assist you in:

- identifying the amount that you may need to save to achieve your goal.
- selecting an education funding account that is most appropriate for you.

The first step in the planning process is to select the cost for which you would like to plan by specifying a type of school (e.g., average public or private), a specific school, or dollar amount. Next, identify the funds that are currently available to fund the goal as well as any anticipated monthly savings. Your college funding analysis determines the projected ability of your current funds and savings to fund your education goal and identifies any potential funding shortfall or surplus. If additional funds are required, carefully review the various types of accounts and select an education funding strategy which supports your goals and objectives.

You should understand that the results shown are illustrative and are based on the information and assumptions you identified. You should also understand that there is no guarantee that the results shown will be achieved and that changes in tax laws, financial markets and your financial situation may cause actual results to deviate substantially from those reflected in this analysis.

Your Current Funding Plan

Based on the information that you identified, the following graph shows the projected ability of your current funds and monthly savings to cover [ChildName]'s education at :
{If SchlCurCost(1,1) > 0 then Print}

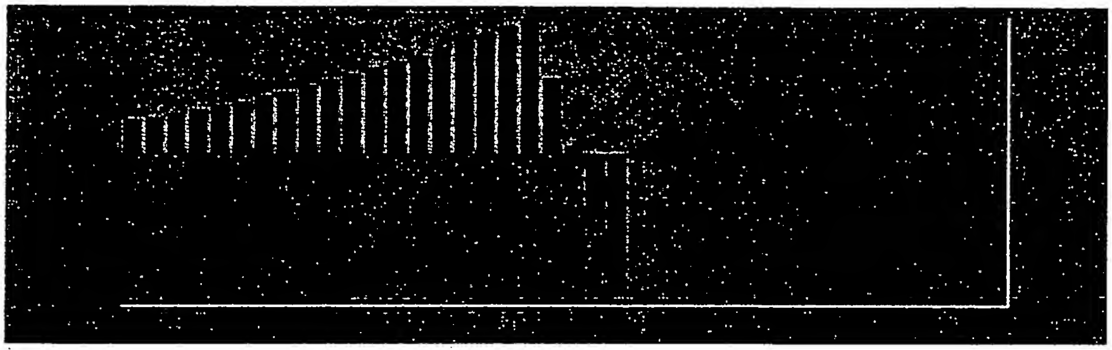
- [FpsCollgNm]{*Ugrad School Name*} which currently costs $[SchlCurCost(1,1)] per year.

{If SchlCurCost(2,1) > 0 then Print}

- A Graduate School which currently costs $[SchlCurCost(2,1).] per year.

{Print Projected Assets Balance Bar Chart – Refer Results Screen(529UIReq3.xls) for specs}
{Do not break up the chart – should be on one page. Show the legends for Assets and Debts. Chart should not have gray background.}

{Title font size:12, bold,center}
Total Projected Assets



{If NetWorth(Year(AnalysisEndDate)) < 0, TempPrint = '**shortfall**' else TempPrint = '**surplus**' EndIf}

The analysis indicates a projected [TempPrint] of $[NetWorth(Year(AnalysisEndDate))]{*Format 99,999,999 but no negative sign*} **in [Year(AnalysisEndDate)].**

{ *Additional Savings Required Section:* If NetWorth(Year(AnalysisEndDate)) < 0 then print}

Additional Savings Required

The results of your analysis indicate that you may need to save additional funds toward this goal. The type of account that you select for this additional savings may significantly impact the amount of savings required.

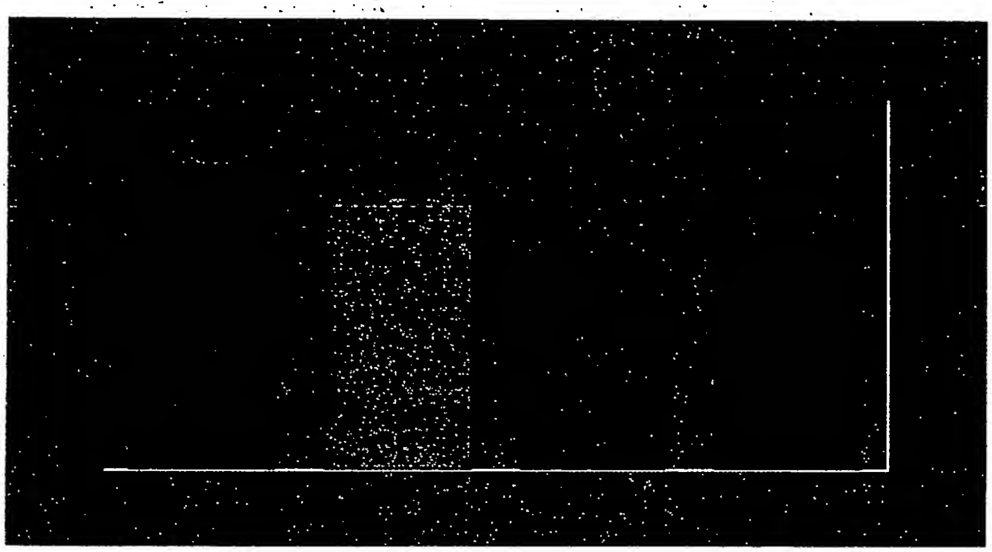
The types of accounts considered in your analysis include:

- Your Assets: assets held in your name and subject to taxation at your income tax rates.
- Uniform Gifts to Minors/Uniform Transfers to Minors Accounts (UGMA/UTMA): assets held in the child's name and subject to taxation at the income tax rate of either the parent or child, depending on the child's age.
- 529 Plan: a relatively new tax-advantaged education funding account that is offered by certain states to fund education costs at qualified institutions.
- Combination UGMA/529 Plan: funding either account over the course of the analysis to maximize the potential tax benefits of each account.

The following graph details the additional [TempInd]{If LumpSumInd = 'N', then TempInd = "monthly" else TempInd = "lumpsum" EndIf} savings required to fully fund this goal by account type. These savings amounts are independent of one another and represent the [TempInd] savings required in addition to any current funds and monthly savings you indicated.

{Print Additional Savings Required Bar Chart – Refer Results Screen(529UIReq3.xls) for specs }
{Do not break up the chart – should be on one page. Show the legends for Assets and Debts. Chart should not have gray background)

Additional Savings Required



This comparison can assist you in evaluating the potential cost-benefit of each account type based on its tax treatment and asset allocation. It is important to review the characteristics of each account in light of your personal as well as financial objectives prior to selecting a plan of action.

{ *Additional Savings Required Section:* EndIf}

{If ((For BktTyp=1 to 3, PresentAdditions(BktTyp) > 0) or EdIRAKickerInd = 'Y')
then TempContributions = 'Y' else TempContributions = 'N'
EndIf}

{TempSection1 =

Selected Additional Savings Method

You selected the following additional savings method to include in this report:
- Account Type: [SavingsMethodCd(BktTyp)] *{1= Your Assets; 2 = UGMA; 3= 529 Plan; 4 = UGMA/529 Plan}*
- Frequency: [TempInd]

Based on this selection, the following tables detail the:
- total annual contributions required to fully fund this goal.
- projected account balances for each year.

End of TempSection1}

{TempSection2 =

Annual Savings and Account Balances

The following tables detail the planned contributions that you identified and the total projected account balance in each year.

End of TempSection2}

{TempSection3 =

Annual Account Balances

The following table details the total projected account balance in each year.

End of TempSection3}

{Start - Total Annual Account Balance Table

TOTAL ANNUAL SAVINGS REQUIRED { *Title Font 12, Bold, center}*

{All tables: Heading and Body Font 10, unbold, center, ; Do not break up table unless it is longer than a page }{ Refer Savings Detail Screen(529UIReq3.xls) for specs}

	Your Assets	UGMA/UTMA	529 Plan	Ed. IRA	Total
1999	$99,999,999	$99,999,999	$99,999,999	$99,999,999	$99,999,999
2000					
2001					
2002					
2003					
2004					
2005					
2006					
2007					
2008					
2009					
2010					
2011					
2012					
2013					
2014					

End of Total Annual Savings Required Table}

```
{ IF NETWORTH(YEAR(ANALYSISENDDATE)) < 0 THEN
        IF TEMPADDLSAV = 'Y' THEN
                PRINT TempSection1
                PRINT Total Annual Savings Required Table
        ELSE IF TEMPCONTRIBUTIONS = 'Y' THEN
                PRINT TempSection2
                PRINT Total Annual Savings Required
            ELSE
                PRINT TempSection3
        ENDIF
ELSE    IF TEMPCONTRIBUTIONS = 'Y' THEN
                PRINT TempSection2
                PRINT Total Annual Savings Required
        ELSE
                PRINT TempSection3
        ENDIF
ENDIF
}
```

TOTAL ANNUAL ACCOUNT BALANCE

{This table is always printed}*{ Title Font 12, Bold, center}*

{All tables: Heading and Body Font 10, unbold, center, ; Do not break up table unless it is longer than a page }{ Refer Savings Detail Screen(529UIReq3.xls) for specs}

	Your Assets	UGMA/UTMA	529 Plan	Ed. IRA	Unfunded Expense
1999					
2000					
2001					
2002					
2003					
2004					
2005					
2006					
2007					
2008					
2009					
2010					
2011					
2012					
2013					
2014					

{Unfunded Expense will ONLY appear if Ending Balance<0 and TempAddlSav = 'N'}

Assumptions

Your analysis is based on the following assumptions which you identified.

{*Assumption section: The headings in this section are all bold and left justified.*}
{If SchlCurCost(1,1) > 0 then Print}

Undergraduate School Goal:

- Start Year: [SchlStrtYr(1)] *{Format 9999}*

- Years of School: [SchlYrsCt(1)] *{Format 99}*
- Current Annual Cost: [SchlCurCost(1,1)] *{Format $999,999}* ([FpsCollgNm])
- Education Cost Increase: [SchlCostGrRt * 100] *{Format 99%}*

{ EndIf}

{If SchlCurCost(2,1) > 0 then Print}

Graduate School Goal:

- Start Year: [SchlStrtYr(2)] *{Format 9999}*
- Years of School: [SchlYrsCt(2)] *{Format 99}*
- Current Annual Cost: [SchlCurCost(2,1)] *{Format $999,999}*
- Education Cost Increase: [SchlCostGrRt * 100] *{Format 99%}*

{ EndIf}

Income Tax Rates:

- Your Ordinary Income Tax Rate: [OrdinaryIncomeTaxRate(1)* 100] *{Format 99%}*
- Your Capital Gains Rate: [CapitalGainTaxRate(1) *100] *{Format 99%}*
- Child's Ordinary Income Tax Rate: [OrdinaryIncomeTaxRate(2)*100] *{Format99%}*
- Child's Capital Gains Rate: [CapitalGainTaxRate(2) *100] *{Format 99%}*

Current Funding Plan:

	Your Assets	**UGMA/UTMA**	**Ed. IRA**	**529 Plan**
Current Balance	[PresentInv(1)] *{Format $99,999,999}*	[PresentInv(2)] *{Format $99,999,999}*	[PresentInv(4)] *{Format $99,999,999}*	[PresentInv(3)] *{Format $99,999,999}*
Unrealized Gains/Growth	[Deferred Growth(1)] *{Format $99,999,999}*	[Deferred Growth(2)] *{Format $99,999,999}*	[Deferred Growth(4)] *{Format $99,999,999}*	[Deferred Growth(3)] *{Format $99,999,999}*
Monthly Contribution*	[Present Additions(1)] *{Format *99,999,999}*	[Present Additions(2)] *{Format $99,999,999}*		[Present Additions(3)] *{Format $99,999,999}*

* Monthly Contribution is assumed to continue through [SavingsEndYr]

Asset Allocation:

- Your Assets, UGMA/UTMA and Education IRA:

{If UseSscspInd(2) ='Y' then Print}

- Age-Tailored Asset Allocation

{Else Print}

- Equities: [EqtAllocPc(2,1) * 100] *{Format 999%}*
- Taxable Fixed Income: [TxblFxdIncmAllocPc(2,1)*100]*{Format 999%}*
- Tax-Free Fixed Income: [TxfrFxdIncmAllocPc(2,1)*100] *{Format 999%}*
- Cash: [CshAllocPc(2,1)*100] *{Format 999%}*

{EndIf}

- 529 Plan:

{If UseSscspInd(3) = 'Y' then Print}

  - Age-Tailored Asset Allocation

{Else Print}

  - Equities: [EqtAllocPc(3,1)*100] *{Format 999%}*
  - Taxable Fixed Income: [TxblFxdIncmAllocPc(3,1)*100] *{Format 999%}*
  - Cash: [CshAllocPc(3,1)*100]*{Format 999%}*

{EndIf}

Rates of Return:

- Equities: [(EqtDivRt + EqtGrRt) *100]*{Format 999%}*
  - Dividend: [EqtDivRt*100] *{Format 999%}*
  - Capital Appreciation: [EqtGrRt*100] *{Format 999%}*
- Taxable Fixed Income: [TxblFxdIncmRt*100] *{Format 999%}*
- Tax-Free Fixed Income: [TxfrFxdIncmRt*100]*{Format 999%}*
- Cash: [CshRt*100] *{Format 999%}*

Equity Turnover: [TurnoverPc*100] *{Format 999%}*

Details of This Analysis

Based on these assumptions, the analysis:

- Makes contributions that you identified to specific accounts at the beginning of each month.
- Determines the monthly interest and capital gain generated by each account.
- Calculates the annual ordinary income or capital gains tax liability based on:
  - the type of account in which the income is generated
  - the amount of long-term capital gains are realized in that year based on the equity turnover rate identified.
- Reduces each account balance by its portion of the estimated income tax liability at the end of each year.
- Depletes account holdings in the following order based on the purpose of the withdrawal:

Qualified Education Expenses	Child's Income Taxes
529 Plan	UGMA/UTMA
UGMA/UTMA	529 Plan
Education IRA	Education IRA
Your Assets	Your Assets

- Assumes that any penalties incurred by taking a distribution from a 529 Plan to cover income taxes is paid out of the 529 Plan funds.

Education Funding Accounts

Your Assets

These assets are considered to be owned by you. All investment income is taxed according to your ordinary income and capital gains rates.

UGMA/UTMA

Funds held in an UGMA/UTMA account (Uniform Gifts to Minors Act/Uniform Transfers to Minors Act) are controlled by a custodian until the child reaches the age of majority.

Some of the advantages:

Investment income may be taxed at the child's lower rate.

Gifts may qualify for the annual gift tax exclusion.

When property is sold, the gain may be taxed at a lower rate.

Some of the disadvantages:

You no longer control the assets.

The child owns the funds and, on achieving the age of majority, can use them for any purpose.

Depending on the age of the beneficiary, gifts made to an UGMA/UTMA account by the custodian of the account could be included in the custodian's estate for estate tax purposes.

The child's eligibility for financial aid may be affected.

The Tax Effects

Income generated from assets which are owned by a child is subject to special income tax considerations. The following chart shows the taxation of children's investment income (including ordinary income and realized capital gains).

{Table heading: bold; Column Heading: bold}

TAXATION OF CHILDREN'S INVESTMENT INCOME

Child's Income	**Under age 14**	**Age 14 & Over**
1st $[TaxDpndStdDedctAm]	Tax Exempt	Tax Exempt
2nd $[TaxKidTaxMaxIncmUnshftAm]	Child's Rates	Child's Rates
Over $[TaxDpndStdDedctAm + TaxKidTaxMaxIncmUnshftAm]	Parent's Rates	Child's Rates

It is important to note that these limits consider the child's ordinary income first, then any realized capital gains.

529 Plans

529 Plans are relatively new education savings alternatives which are becoming increasingly popular. They offer tax-advantaged savings and investing while providing you with more control over the distribution of funds than an UGMA/UTMA account.

Merrill Lynch currently serves as Program Manager for the NextGen College Investing Plan, a 529 plan offered by the State of Maine and available through Merrill Lynch to anyone in the country.

Some of the advantages include:

Federal taxes are deferred until money is distributed to pay for qualified education expenses, when the growth in excess of contributions is taxed at the child's rate.

Funds may grow free of state income taxes depending on the laws in the state where the you file a state income tax return.

Assets can be used to pay for tuition, room, board, books and required supplies at any accredited post-secondary school in the U.S.

Contributions are generally considered removed from your taxable estate.

Married couples filing jointly can generally contribute up to $ [10 * FpsGftTaxXcluAm] in one year without gift tax consequences, provided no more gifts are made to the beneficiary for a five-year period. Single taxpayers can contribute up to $ [5 * FpsGftTaxXcluAm]

You (or " the participant") retain control of the account and can generally change beneficiaries within the same family of the original beneficiary without penalty at any

time.

The participant can also make non-qualified withdrawals at any time. A penalty on earnings and ordinary income tax on earnings at the participant's rate will generally apply.

The participant may make penalty-free withdrawals if the beneficiary receives a scholarship or in the event of the death or disability of the beneficiary.

There are no annual income limits on participation, no annual filing requirements (unless a withdrawal has been made), and generally no time limits that the assets must be held in the plan.

Some of the disadvantages include:

Once the funds are contributed to the plan, you no longer controls how the funds are invested. Investment decisions are typically made by fund managers who are hired by the sponsoring state.

Contributions must be made in cash. You cannot transfer securities into the plan.

The funds can only be used for education purposes to receive the full federal income tax benefits. If funds are withdrawn and used for purposes other than education, the earnings portion generally are taxed at your income tax rate and will be subject to a [Pen529Pc *100]{*Format 99 %*}penalty.

Additional Information About 529 College Investing Plans

When reviewing state-sponsored college savings plans, keep in mind that you are not limited to the plan that their own states may provide. Several states, including Maine, New Hampshire and New York allow out-of-state residents to take advantage of the plans that they administer.

Many features of 529 plans are determined by the sponsoring state. Therefore, you should choose the plan that is best-suited to meet your needs. The key features of the State of Maine's NextGen College Investing Plan have been incorporated into this analysis.

The maximum amount which can be contributed on behalf of the same beneficiary (by all contributors) is limited by the sponsoring state. This limit is typically equivalent to the current cost of five years of tuition at a school (or an index of schools) specified by the state.

Lump-sum or annual non-deductible contributions of any amount can be made as long as the total account balance does not exceed the current limit.

UGMA/529 PLAN COMBINATION

The combination of a UGMA/UTMA and 529 Plan:

Using a combination of an UGMA/UTMA and a 529 Plan may enable you to benefit from the tax-advantages offered by both funding alternatives. The analysis will make monthly contributions to a UGMA/UTMA until the investment income generated within the account exceeds the $[TaxDpndStdDedctAm] tax-exempt limit. Any further contributions will be made to a 529 Plan to take advantage of tax-deferred growth.

Education IRA

The Education IRA allows annual non-deductible contributions up to $ [EdIRAMaxContribAm] until the 18th birthday of a child. To include savings to an Education IRA, select the 'Include Maximum Education IRA' option on the Results screen. If selected, the analysis will contribute $[EdIRAMaxContribAm] of savings to an Education IRA in any year that a contribution is not made to a 529 Plan.

Some of the advantages:

Contributions grow tax free.

Withdrawals are tax free if they are used for qualifying education expenses.

Unused funds may be transferred to other family members but only for education purposes.

Anyone (a parent, grandparent, etc.) can contribute to an Education IRA.

Some of the disadvantages:

Contributions from all sources cannot exceed $[EdIRAMaxContribAm] per child per year.

Eligibility is based on the contributor's modified AGI and phaseout starts when it exceeds $150,000 for married contributors and $95,000 for unmarried contributors.

In general, the assets must be distributed by the time the beneficiary reaches age 30.

This analysis does not take AGI into consideration when making Education IRA contributions. Therefore, if contributors to the Education IRA anticipate that their AGI will exceed these thresholds at any time during the analysis, you should not select the 'Include Maximum Education IRA' option.